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Arizona Corporation Commission
DOCKETED

OCT 16 2013

October 11, 2013

Arizona Corporation Commission
Attn: Steve Olea, Director
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996

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Re: Modification of Rule A.A.C. R14-2-103 – Docket No RU-00000A-13-0294

Dear Mr. Olea;

We would like to comment on the above referenced rule modification as we believe it has been a long time coming. The old rule which was established in 1992 is terribly outdated and new thresholds need to be implemented.

Most of the thirty four companies we at Southwestern Utility Management represent, agree that this step may be a positive step for their company, however, this also leads to further questions regarding the filing of rate cases.

The process of filing for a rate case, which seems to matter not whether it is a short form or long, is extremely burdensome and expensive. It seems to be the very same process for small companies as the large utilities. That being said, we are not certain how this change will streamline the rate making process for the Utility Company's we manage. This is a major concern of the owners. The whole process affects their bottom lines of which very few of them have. There seems to be no rhyme or reason to the process any longer. How can a company survive on less than \$500.00 net revenue for a year? This is what was allowed as net revenue "per year" for one of the company's we manage and which is recorded in testimony by Staff.

We are thrilled that the Commission is actively moving towards modification of this rule if it indeed helps to streamline the rate case process and making it much faster, more efficient, and not to mention more cost effective. As you know the rate case and finance process is burdensome to say the least, making it less attractive to the small companies to come in more regularly for rate adjustments.

Arizona Corporation Commission (continued)
Attn: Steve Olea, Director

Re: Modification of Rule A.A.C. R14-2-103 – Docket No RU-00000A-13-0294

The Owners are looking to the Commission to include capital improvement and equipment upgrades and a base rate that support such. Our owners are responsible people that take the business of providing safe drinking water to their water customers serious. They want to be proactive in replacing aged water mains, storage tanks and wells but simply do not have the funds to do so. Is this rule modification going to change any of this?

We believe that this is a huge step in the right direction in relieving the burden on small water utilities; however, in tandem with this, more needs to be addressed in regard to many other issues that the companies face on a day to day basis. We also need to know how this will directly benefit the small water utilities other than just reclassifying them. We do believe, that the present Commissioners, understand that there are real problems that need immediate attention.

Regards,



Bonnie O'Connor, President

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